



ADDRESS REPLY TO:
California Apprenticeship Council
P. O. Box 420603
San Francisco, CA 94142-0603

STANDARDS, RULES, REGULATIONS & OPERATING PROCEDURES COMMITTEE MEETING

MINUTES

Friday – January 29, 2009 10:10 a.m.

I. Call To Order/ Roll Call

CAC Chairperson Aram Hodess called the meeting to order at 10:10 a.m.

Members present: Aram Hodess, Carl Goff, Donna Bechthold, Pat McGinn and Leo Garcia, Frank Secreet, Dina Kimble, and Les DenHerder
A quorum was met.

Review/Approval of the minutes of October 30, 2008

A motion to accept the minutes was made and seconded. The minutes were approved.

II. Possible regulatory changes to the 104 & 142 Forms

- A discussion was held regarding non-signatory employer concerns that paying fringes to a union Trust Fund on behalf of an apprentice could bind an employer to a collective bargaining agreement.
- ERISA requires a Trust Fund to obtain a written agreement from the employer before receiving fringe benefit contributions on behalf of an employee. Mark Gonzales, Northern California Cement Masons, representing his joint program noted that his Trust considered an employer's submission of a signed DAS-7 and DAS-140 to constitute such a written agreement.
- A draft Subscription Agreement was provided that allows a Plan to receive contributions from an employer. This draft form is explicit in noting that its execution does not bind an employer to a CBA. It was noted that this subscription agreement was not proposed to be a State form but was intended to serve as an example of a way to address employer concerns and allow a Trust Fund to receive fringe contributions.
- It was suggested that programs should include instructions to employers on completing Subscription Agreements.
- It was suggested that the DAS-142 form be amended to require a written rather than a verbal request for dispatch of an apprentice.
- It was suggested that since employers may agree to train apprentices in accordance with a Program's standards, those standards be made available to employers. Several speakers said that their programs were currently made available to employers when requested.
- There was a discussion on the economic benefits to an employer making fringe benefit payments on behalf of an apprentice. Employee fringe payments are not taxable or subject to other employer burdens like Workers Compensation; an employer gains a substantial savings by paying fringes benefits to a Plan rather

than in the form of wages to the apprentice. It was suggested that programs include a flyer detailing these benefits when dispatching an apprentice to a non-signatory.

- It was suggested that the project name be required on the form DAS-142.
- A question was asked as to how violations of 230.1 were to be enforced. It was suggested that unless there were substantial penalties for repeat violations, a contractor who did not employ apprentices would simply factor in minimal fines as a cost of doing business.
- At the October 30, 2008 meeting, concerns were raised about very short call requests for apprentices, sometimes for as little as 2 hours. It was expressed then that these requests were often made in bad-faith by employers who wanted to meet their obligation under the regulations but who had no real intention to employ apprentices. The Committee considered proposed language specifying minimum hours for the dispatch of an apprentice. Concerns were raised that the proposed language would increase the current 1 to 5 ratio. It was explained how this was not the case.
- Dick Freeman, representing ABC San Diego suggested that additional language was needed to address smaller projects.
- It was m/s/c to establish a subcommittee of Commissioners Anne Quick, Dina Kimble, Carl Goff, and Aram Hodess to confer before the April meeting to bring forth recommendations.
- All interested parties were urged to submit their thoughts and suggestions.

The meeting adjourned at 11:00a.m.